



Lloyds Bank Limited
MONTHLY REVIEW
SEPTEMBER 1932



Lloyds Bank Limited

Head Office: 71, LOMBARD STREET, LONDON, E.C.3



DIRECTORS

J. W. BEAUMONT PEASE, Chairman

SIR AUSTIN E. HARRIS, K.B.E., Deputy Chairman

J. H. L. BALDWIN
The Rt. Hon. LORD BARNBY,
C.M.G., C.B.E., M.V.O.
CHARLES E. BARNETT
HENRY BELL
Capt. C. E. BENSON, D.S.O.
ROBERT K. BLAIR
The Hon. R. H. BRAND, C.M.G.
SIR ERNEST R. DEBENHAM,
Bt.
J. HOWARD FOX
Major JAMES W. GARTON
R. C. CHAPPLE GILL
SIR W. GUY GRANET, G.B.E.

GEORGE A. HARVEY
SIR H. H. A. HOARE, Bt.
The Rt. Hon. SIR ROBERT
HORNE, G.B.E., K.C., M.P.
The Rt. Hon. LORD
INVERFORTH, P.C.
HERBERT J. W. JERVIS
CHARLES KER, LL.D., D.L.
SIR H. SEYMOUR KING, Bt.,
K.C.I.E.
CYRIL E. LLOYD
Lt.-Col. R. K. MORCOM, C.B.E.
SIR ALEXANDER R.
MURRAY, C.B.E.

WILLIAM W. PAINE
ALWYN PARKER, C.B., C.M.G.
ARTHUR E. PATTINSON
SAMUEL SAMUEL, D.L., M.P.
The Rt. Hon. The EARL OF
SELBORNE, K.G., P.C.,
G.C.M.G.
HERMAN B. SIM
SIR EDWIN F. STOCKTON
The Rt. Hon. LORD WEIR
OF EASTWOOD, P.C.,
LL.D., D.L.
EVAN WILLIAMS, LL.D., D.L.

Chief General Managers

F. A. BEANE

G. F. ABELL

Joint General Managers

W. G. JOHNS, D.S.O.

R. A. WILSON

S. PARKES

S. P. CHERRINGTON

TABLE OF CONTENTS

	PAGE
A YEAR'S PROGRESS	390
NOTES OF THE MONTH	399
HOME REPORTS	402
OVERSEAS REPORTS	410
STATISTICS	417

Lloyds Bank Limited

Monthly Review

New Series—Vol. 3

September, 1932

No. 31

A Year's Progress

TWELVE months ago, the world crisis which had involved first Austria and then Germany suddenly embraced England in its toils, and in a few short weeks the world saw the British budget revealed as seriously unbalanced, the Government of the day swept from power, huge sums borrowed in Paris and New York in a vain attempt to support the pound and finally the suspension of the gold standard. Simultaneously it saw the work of reconstruction begun by the constitution of the National Government and the re-balancing of the budget at the cost of new and grievous burdens upon the tax-payer accompanied by belated efforts towards a reduction of national expenditure. Even in those dark days proof was not lacking that Great Britain would once more save herself by her exertions.

Since then a year has elapsed, and so the time has come to take stock. Comparing July, 1931, the month immediately preceding the crisis, with July a year later, have we improved and strengthened our position? And if so, to what extent and in which phases of our national economy? In an attempt to answer these questions, the following statistics have been marshalled. They do not pretend to be exhaustive, or to do more than provide certain indications. Yet between them they give some idea as to the net changes that have occurred during these critical twelve months.

First comes the phase of currency and banking, for it was nothing less than our monetary stability that was at stake a year ago. The salient facts are set out on the next page.

Here we have ample ground for self-congratulation, for the first table shows that in this phase we have more than maintained our strength. The very moderate increase in the note circulation shows that, unlike many other countries, there

TABLE I
CURRENCY AND BANKING

	July 1931	July 1932	Difference
	£ million	£ million	£ million
Bank of England :—			
Gold	154.5	136.7	—17.8
Note Circulation	358.2	367.0	+ 8.8
Reserve	57.5	45.5	—12.0
Proportion	48.6%	33.8%	—14.8%
Bankers' Deposits	69.3	85.0	+15.7
Clearing Banks :—			
Deposits	1,787.7	1,803.9	+16.2
Acceptances	113.0	84.5	—28.5
Cash	183.8	190.7	+ 6.9
Discounts	281.0	317.4	+36.4
Investments	299.5	348.8	+49.3
Advances	913.0	836.2	—76.8

TABLE 2
MONEY RATES

	July, 1931	July, 1932	
	beginning	beginning	end
Bank Rate	% 2½	% 2	% 2
Treasury Bill Tender Rate ..	£1 19 9.87d.	16s. 11.82d.	10s. 1.93d.
Market Rates :—			
Call Money	1½ —2	1 —1	1½ —2
" Hot " Treasury Bills ..	1½ —2	1½ —1½	1½ —1½
Three Months' Bank Bills ..	1½ —2	1 —1½	1½ —2
Banks' Deposit Rate (London)	1	½	½

has not been the slightest disposition to hoard notes during the past year. The increase in bank deposits confirms this maintenance of public confidence in the banks, and indeed the contrast between British and foreign banking experience during the past three years shows that the British system of huge banking units, each operating hundreds of branches and each equipped with huge centralized reserves, is easily the strongest. On the other hand, the tables show that, so far from there being a shortage of credit, there is in fact to-day more credit than industry requires. There has been no deflation during the past twelve months, for bankers' deposits at the Bank of

England, which are the basis of bank credit, have increased by £16 millions. The heavy fall in bank advances is the consequence, not the cause, of inactive trade, and once the demand is forthcoming the banks could lend at least another £100 millions before they reached the ratio which advances bore to deposits only a few years ago. As it is, the banks have to employ their resources in securities and bills, the latter being mainly Treasury bills. If new safe opportunities offered themselves for the extension of advances, the banks would be the first to rejoice.

If credit is plentiful, it is also inordinately cheap, for as the second table shows, money and discount rates have fallen below even the low levels current in the early summer of 1931, and, in fact, the British Treasury has lately been able to place its bills at the lowest rates recorded in history. This is a good sign from more than the tax-payer's point of view, for money is never cheap when confidence is lacking. On the other hand, rates as low as these indicate that credit can suffer from unemployment as well as machinery and men.

The next phase is that of the National Credit, and here also great progress has been made—progress which has culminated in the largest and most successful National Debt Conversion scheme in our history. The extent of this progress is measured in the third table, which gives the prices and yields of the leading British Government long-term securities.

TABLE 3
BRITISH GOVERNMENT SECURITIES

	Early July, 1931		Early July, 1932	
	Price	Yield	Price	Yield
2½% Consols	60½	4½	70	3⅞
4% Consols	95½	4⅞	105	3⅞
3½% Conversion Loan	85	4⅞	97	3⅞
4½% Conversion Loan	103	4⅞	106½	3⅞
5% Conversion Loan ..	108	4⅞	113	3½
4% Funding Loan ..	97½	4½	106	3⅞
4% Victory Bonds ..	98½	4⅞	105½	3½

What the table shows in brief is that during these twelve months the yield on British Government long-term securities had been brought down from just over 4½ per cent. to under 3½ per cent. in early July, 1932; and it is common knowledge that since then the average yield has fallen practically to

3½ per cent. This reduction has been effected without impairing the strength of the gilt-edged market or causing any flight of capital into the Government stocks of other countries. It, therefore, shows that British Government stocks enjoy a reputation higher than those of any other Government.

It is impossible to give any simple comparison of the state of the budget now and in July of last year, both because by July the financial year is not far enough advanced, and also because of the radical reforms in the national finances effected as the first stage in the work of rehabilitation. Yet it is well to pause and pay tribute to the magnificent way in which the new revenue was cheerfully contributed in the spring of this year, because it was that successful collection of revenue which gave the signal for the recovery of the pound, the transition from dear to cheap money, the rise in British Government stocks and the restoration of world confidence in our financial stability. When the accounts for the current financial year come to be closed we will have nothing to fear from a comparison with past years, and our main duty is now to insist upon a further drastic reduction of expenditure sufficient to permit of a lightening of the burden of taxation.

The next phase is that of home trade, production and employment. The fourth table contains a miscellany of statistics bearing upon trade and production, while the fifth table gives the state of employment in a selected list of leading industries classified according to the Ministry of Labour's monthly returns.

With one or two exceptions such trade and production figures statistics as are available are disappointing. Coal and pig-iron production have fallen, while that of steel has barely held its ground. The relatively slight increase in the consumption of electricity needs qualification, not only because the returns include current used for lighting and domestic purposes as well as by industry, but also because of the progressive substitution of electricity for older mediums of light and power. On the other hand, postal traffic receipts are practically unchanged. As regards bank clearings, which are a fair measurement of the rate at which money is circulating, the increase in town clearings undoubtedly reflects the activity in the gilt-edged market which followed the announcement of War Loan Conversion. The fall in metropolitan clearings indicates some shrinkage in the value of general London trade, and is

TABLE 4
PRODUCTION AND BUSINESS

	July, 1931	July, 1932	Difference	
			actual	%
Coal Production (million tons per week) ..	3.8	3.6	- 0.2	- 5.3
Pig-iron Production (thousand tons per month)	317	293	- 24	- 7.6
Steel Production (thousand tons per month)	429	430	+ 1	+ 0.2
Electricity Consumption (million units per month)	785	806	+ 21	+ 2.7
Railway Traffic Receipts (£ million for 4 weeks)	13.8	12.3	- 1.5	- 10.9
Postal Traffic Receipts (£ thousand per day)	130.5	129.3	- 1.2	- 0.9
Retail Trade	—	—	—	- 6.3
London Bank Clearings (£ million for 4 weeks) :-				
Town	2,712	2,847	+ 132	+ 4.9
Metropolitan	139	133	- 6	- 4.3
Country	221	212	- 9	- 4.1
Provincial Bank Clearings (£ million for month)	108	117	+ 9	+ 8.1

TABLE 5
UNEMPLOYMENT

Industry	Number of Insured Persons in Industry, July, 1931	Number Unemployed		
		end July, 1931	end July, 1932	Change during year
Coal Mining	1,046,870	389,182	431,583	+ 42,401
Steel Melting and Iron Puddling	169,350	77,384	82,105	+ 4,721
General Engineering ..	576,380	167,874	166,199	- 1,675
Motors, Cycles and Aircraft Shipbuilding and Ship Repairing	251,320	57,462	55,779	- 1,683
Cotton	195,390	111,617	116,162	+ 4,545
Wool	550,110	233,936	170,858	- 63,078
Tailoring	238,870	86,655	63,502	- 23,153
Boots and Shoes	213,020	31,751	34,359	+ 2,608
Printing	137,840	31,876	31,171	- 705
Building	278,970	26,911	28,529	+ 1,618
Public Works Contracting ..	858,170	157,565	236,469	+ 78,904
Distributive Trades ..	270,630	77,610	115,137	+ 37,527
	1,874,780	205,618	225,370	+ 19,752
Total (all industries) ..	12,770,000	2,806,475	2,920,944	+ 114,469

roughly paralleled by the declines of 13.0 per cent. in London (Central and West) and 4.7 per cent. in London (Suburban) retail trade. On the other hand, while country clearings in London have also contracted, there is a most encouraging expansion in provincial bank clearings, embracing the big industrial towns, and this expansion was particularly marked at Birmingham and Bradford. Retail trade over the whole country contracted by 6.3 per cent., but much of this fall is probably due to lower prices.

The unemployment figures, in a separate table, show that several leading industries are more active than they were a year ago, and this is especially true of the textile trades. Against this must be set serious recessions in the coal, building and contracting industries, and the position of the last two is in part due to modifications of housing and public works programmes, inspired by the need for economy. On balance, the general business life of the country has suffered less than might have been expected from the intensity and duration of the crisis, and certainly less than that of most other nations. It is also proper to add that if measures of economy have proved prejudicial to certain industries, there is no doubt that had these measures not been adopted, the damage to the economic life of the country would on balance have been far greater.

TABLE 6
COMMODITY PRICES

	July, 1931	July, 1932	Difference (per cent.)
Wholesale Price Levels* :—			
United Kingdom ..	104.7	98.7	— 5.7
United States	101.2	87.6	—13.4
France	107.3	91.4	—14.8
Retail Price-Level† :—			
United Kingdom ..	100.0	97.2	— 2.8
Wholesale Prices :—			
Wheat (per qr.)	25s. 6d.	27s. 10d.	+ 9.1
Maize (per qr.)	15s. 4d.	19s. 3d.	+25.6
Cotton (per lb.)	5.21d.	4.69d.	—10.0
Wool Tops (per lb.) ..	22½d.	21½d.	— 2.2
Jute (per ton)	£15 14s.	£14 19s.	— 4.8
Pig-iron (per ton) ..	58s. 6d.	58s. 6d.	—
Copper (per ton)	£34 13s.	£26 1s.	—24.8
Tin (per ton)	£111 11s.	£125 19s.	+12.9
Rubber (per lb.)	3½d.	1½d.	—36.8

* September 21st, 1931 = 100.

† August 31st, 1931 = 100.

TABLE 7
PRICES OF PARTIALLY-FINISHED GOODS

	July, 1931	July, 1932	Difference (per cent.)
Flour (per sack)	21s. 6d.	23s.	+ 7.0
Butter (per cwt.)	119s.	106s.	- 10.9
Refined Sugar (per cwt.) ..	24s.	23s. 6d.	- 2.1
Cotton Yarn (per lb.) ..	8½d.	7½d.	- 8.8
Cotton Cloth (per piece) ..	21s. 3d.	20s. 9d.	- 2.4
Worsted Yarn (per lb.) ..	36½d.	35½d.	- 2.7
Steel Billets (per ton) ..	97s. 6d.	97s. 6d.	—
Tinplates (per box) ..	13s. 6d.	14s. 10d.	+ 9.9
Linseed Oil (per ton) ..	£17 4s.	£13	- 24.6
Portland Cement (per ton)	46s.	44s. 9d.	- 2.7

The two preceding tables deal with fluctuations in commodity prices during the twelve months under review. The first table begins by giving wholesale and retail prices at home, and wholesale prices in the two leading gold-currency countries. In interpreting these figures, allowance must be made for the depreciation of the sterling-gold exchanges, which last July amounted to about 27 per cent. On this basis a brief calculation shows that, granted the fall of about 14 per cent. in gold prices shown in the table, sterling prices should have risen by 18 per cent. In actual fact they have fallen by nearly 6 per cent. and the margin between these last two figures acts, or should act, as a differential in favour of British goods in world markets. This point will be discussed in a later paragraph dealing with British export trade.

The tables also include statistics of the sterling prices of representative commodities, the first table giving those of primary products, and the second those of partly finished goods. In each case a representative grade has been chosen, and the prices given are the average for the month. There have been very wide and diverse fluctuations in prices of primary products so much so that it is hardly legitimate to strike an average. This divergence is not surprising when, apart from variations in the sizes of crops, it is remembered that the depreciation of sterling has affected individual prices in varying degree, according to whether they come from "gold" or "sterling" countries.

Prices of partly-finished goods have remained relatively much more stable. The rise in flour is less than that of wheat,

and the fall in cotton cloth much less than that of raw cotton. This stability encourages the view that any increase in the prices of primary products would involve a far smaller increase in the prices of partly-finished goods, and not necessarily any increase at all in the cost of living.

The final table deals with overseas trade, and its consideration is necessarily linked with that of industrial activity at home and with that of the relative movement of gold and sterling prices.

TABLE 8
OVERSEAS TRADE

	July, 1931	July, 1932	Difference	
			actual	%
Imports :—				
Foodstuffs (£ million)	35.1	29.3	— 5.8	—16.5
Raw Materials (£ million)	13.6	10.8	— 2.8	—20.6
Manufactured Goods (£ million)	20.7	11.4	— 9.3	—45.0
Total (£ million)	70.2	51.9	— 18.3	—26.0
Exports :—				
Manufactured Goods (£ million)	26.5	22.4	— 4.1	—15.5
Total (£ million)	34.3	29.3	— 5.0	—14.6
Re-exports :—				
Total (£ million)	4.9	3.3	— 1.6	—32.6
Principal Exports :—				
Coal (tons thousand)	3,533	3,334	— 199	— 5.6
Iron and Steel (tons thousand)	168	158	— 10	— 6.0
Machinery (tons thousand)	26.4	27.0	+ 0.6	+ 2.3
Cotton Piece Goods (sq. yds. million)	177	198	+ 21	+11.9
Woollen and Worsted Tissues (sq. yds. thousand)	8,720	7,619	—1,101	—12.6
Boots and Shoes (thousand dozen pairs)	61.0	50.3	— 10.7	—17.5
Paper and Cardboard (cwts. thousand)	295	302	+ 7	+ 2.4
Motor Cars and Chassis (number)	1,947	2,417	+ 470	+24.2

The decline in the value of our imports and exports is readily explained by the fall in prices, and to that extent is not disconcerting. It is clear, too, that the depreciation of sterling and the introduction of the tariff have served to reduce imports more than exports and so to improve our trade balance. Unfortunately the returns of our leading exports by volume show at the best isolated improvements, and in such industries as coal, steel, wool and footwear we have lost ground.

It is easy to see why this has happened. Many countries suspended the gold standard in company with Great Britain, and in all these cases we lose any advantage we might have gained from the depreciation of sterling. Other countries, though still nominally on the gold standard, only remain there by imposing drastic restrictions not only upon the importation of foreign goods but also upon remittances in payment for goods previously imported, so much so that traders of other nations do not dare to enter into fresh commitments. Practically every country during the past year has thought it necessary to protect its trade balance either by raising its tariff, or by imposing fresh restrictions, import quotas, and exchange controls, all of which check international trade. Hence the advantages of the British tariff and the depreciation of the pound have been largely lost as a result of similar changes elsewhere, and the plain truth is that our overseas trade can only prosper if and when normal conditions are restored abroad.

The main impression left by this retrospect is that in the financial sphere we have successfully put our house in order, and our position is immeasurably stronger than it was a year ago. In the industrial sphere we have lost ground during the past year, but we have lost less than might have been anticipated, and the progress of the depression has been arrested even if it has not yet been reversed. In the international sphere, we are still awaiting world recovery, and at the moment we are paying the penalty of being ahead of other nations. On the other hand, if the decisions reached at Lausanne and Ottawa, together with those to be taken at the impending International Conference, bear fruit, we are already in a good position to take advantage of the consequent world recovery.

Notes of the Month

The Money Market.—With the exception of the week beginning August 22nd money has remained extremely cheap and abundant during the month, and rates have shown practically no change. Bank rate has remained at 2 per cent. and the clearing banks have continued to lend to the market at a minimum of 1 per cent. For the first three weeks of the month loans were renewed at $\frac{1}{2}$ per cent., while rates for new money were usually $\frac{1}{2}$ per cent., with occasional variations between $\frac{1}{4}$ and $\frac{3}{4}$ per cent. The average tender rate for new Treasury bills remained within a few pence of $\frac{1}{2}$ per cent. until August 26th, while "hot" Treasury bills commanded rates of $\frac{1}{2}$ and $\frac{1}{4}$ per cent. September and October Treasuries have changed hands at $\frac{7}{16}$ per cent. and three months' Bank bills at about $\frac{5}{8}$ per cent. During the August bank-holiday week-end there was the normal increase in the note circulation, but by the middle of August all the holiday notes had returned. The payment of the War Loan Conversion Bonus, amounting in all to over £18,000,000 contributed to an increase in the floating debt, but this did not have the smallest inflationary effect. Wide movements of funds occurred on August 15th, when the final call on the new 3 per cent. Treasury bonds fell due and when the 1931-33 Treasury bonds were repaid, but these did not make any difference in the supply of funds. The stringency during the last week of August was mainly due to discrepancies between Treasury bill payments and maturities, and at the time was thought to be purely temporary. It did, however, raise the tender rate on Treasury bills to 16s. 7.45d. per cent., and other discount rates in proportion.

The Foreign Exchanges.—After its appreciation during July, the New York rate settled down during August at between \$3.45 and \$3.50, and sterling displayed greater powers of resistance. The advance in American stock prices was checked early in August, and it is possible that the flow of European funds to Wall Street has ceased and indeed been replaced by a return of funds to Europe as a result of profit-taking. It is thought that some slight official support has been given to the pound, but if so, it was very small. The dollar is now far stronger than three months ago. The premium upon forward sterling has

practically disappeared, and New York rates on the leading European gold centres are now practically at par. New York, too, has been gaining gold, both from actual imports and more especially through the release of gold formerly under foreign ear-mark. As regards the exchanges of countries off the gold standard, the Scandinavian rates remained very steady, with Stockholm at Kr.19.50, against parity of Kr.18.15, until the end of August when the Danish krone weakened as the result of the removal of the Danish exchange restrictions. South American rates are still nominal, and it is very difficult to deal, as the foreign currency proceeds of South American exports are needed mainly for the service of foreign debts. Japanese yen developed sudden weakness in the middle of August, falling from rs. 6½d. to rs. 3½d. In the forward market, it has been difficult to sell forward belgas, which have stood at a heavy discount.

The Stock Exchange.—The rapid advance in gilt-edged securities was checked early in August, and assented War Loan fell temporarily to below par. Even the announcement of the remarkable success of the Conversion scheme failed to stimulate a recovery. Such a set-back was inevitable after the heavy July speculation, and it will leave the fundamental position all the sounder. Among foreign bonds, German issues responded unfavourably to the uncertain political outlook. Central European bonds have remained weak, owing to actual or threatened defaults and difficulties in maintaining payments. South American bonds have also been weak, with prices largely nominal. Home rail prices improved sharply upon the sanctioning of the L.M.S.-L.N.E.R. pool and the impending publication of the Salter report, but traffic returns have been disappointing and the market is very narrow and unstable as is shown by the fact that when the Salter report did appear, it failed to cause any further improvement. Industrials have on the whole been better. "Internationals" benefited from the advance on Wall Street, while the success of War Loan Conversion has not only had a good psychological effect, but is also diverting into the industrial market investment money which is in search of a better return. The rubber, oil and mining markets reacted favourably to the general improvement in commodity prices, but here again it must be emphasized that all these markets are most unstable.

Overseas Trade.—Compared with the preceding month, the July trade returns recorded a sharp fall in imports from £57·5 millions to £51·9 millions, but the significance of this movement is in part destroyed by the fact that the June imports were greater than those of April and May. Unfortunately, there was a decline from £13·5 to £10·8 millions in imports of raw materials, and in this respect the July returns were the worst of the year. No appreciable change occurred in exports of British goods, which so far are reasonably well maintained. A more detailed comparison between July, 1931, and July, 1932, is made on a preceding page.

Description	Jan.-July, 1931	Jan.-July, 1932	Increase (+) or Decrease (-)
	£ mn.	£ mn.	£ mn.
Total imports	487·9	411·8	-76·1
Retained Imports	447·3	379·2	-68·1
Raw Material Imports	103·9	100·3	-3·6
Manufactured Goods, Imports.. ..	145·1	93·1	-52·0
Total Exports, British Goods	233·4	216·3	-17·1
Coal Exports	20·0	18·7	-1·3
British Manufactured Goods, Exports ..	176·9	165·4	-11·5
Re-exports	40·6	32·6	-8·0
Total Exports	274·0	248·9	-25·1
Visible Trade Balance	-213·9	-162·9	+51·0

The returns for the first seven months of the year are in one respect satisfactory, for they show that the adverse visible trade balance is continuing to shrink. On the other hand, the contractions of £17·1 millions in total exports of British goods and £11·5 millions in exports of British manufactured goods is disquieting, for they show that we are losing much of our foreign trade. There is no doubt that international trade is still shrinking, and our dependence upon world trade makes us one of the principal sufferers.

Home Reports

The Industrial Situation

The broad industrial outlook has been dealt with on earlier pages, and it only remains to indicate the actual position to-day. Most industries have lately been subject to holiday influences, and so at the moment there is little tangible to report. There is, however, both at home and abroad a greater feeling of confidence, strengthened by the rising tendency of raw material prices in evidence since the end of June, and some manufacturers are disposed to look for an autumn revival and even at times to feel that the worst of the world depression is over. It is too early to assess the benefits that should ensue from the Ottawa Agreements, especially as much depends upon the way in which the agreements are interpreted and operated.

Agriculture

England and Wales.—Except where damaged by rain, corn crops were not unsatisfactory. Main crop potatoes were generally free from disease and an average yield was anticipated; root crops were moderate. Some hay was still unsecured at the end of July, the yield of seed hay being estimated at above average and that of meadow hay rather below. Hop yields are expected to be well below average owing to attacks of downy mildew and aphids. Cattle and sheep were satisfactory and milk yields about normal.

Scotland.—Recent thunderstorms have caused some damage to grain crops but the quality and quantity promise to be normal. Heavy yields of potatoes are expected, partly because there are 18,000 acres more under cultivation than last year. So far there are no reports of disease. The general trend of prices in both the grain and live stock markets has been downwards but prime bullocks have been in good demand.

Coal

Hull.—Demand for South Yorkshire Hards and Derbyshire Top Hards is better and collieries are fully stemmed for August and September. Other qualities are obtainable at minimum prices.

Newcastle-on-Tyne.—The prompt market is exceedingly quiet and there are no signs of any improvement in the forward market, prices being on a minimum basis. Coke is in poor demand, but there is a fair forward enquiry for gas coke.

Sheffield.—There is much unemployment, and short-time working prevails in the mining districts. Apart from railway requirements industrial fuels are quiet and the export market has not improved. The house coal trade is dull.

Cardiff.—With the exception of dry coals, for which demand is fairly good, depressed conditions prevail. There are few orders and with heavy stocks and consequent shortage of wagons, collieries are finding it difficult to avoid stoppages. The anthracite market continues good, but coke is difficult to dispose of and all grades are weak.

Newport.—Monmouthshire coal is still in poor demand, and the collieries are working irregularly. The foreign shipment figures show a decline as compared with the previous month and with last year.

Swansea.—The Customs returns for July show an increase in exports of anthracite of 85,000 tons as compared with July, 1931. The best brands continue in good demand, and there is a slightly better demand for duffs, but these are still in ample supply.

East of Scotland.—In both Fife and the Lothians trebles and doubles are in request and there is an improved demand for singles and pearls. The round coal trade is very depressed.

Glasgow.—The continued lack of demand for large coals has forced a number of collieries again to reduce output. There has, however, been a strong market for nuts with rising prices. The tonnages despatched from the Clyde up to the second week of August amount to 2,545,000 tons, compared with 2,489,000 tons in the same period last year.

Iron and Steel

Birmingham.—There is the usual seasonal quietness, with very little movement in the trade. Constructional programmes appear to be held up and there is no bulk buying, continental prices still favouring the foreign exporter. Prospects in the tube trade are a little better but there is no improvement in overseas demand.

Sheffield.—Business has become worse in practically every section of the steel trade during the past few weeks. A fairly important order for high speed steel for Russia has been divided between several local firms, but otherwise there is no improvement.

Newport.—There are still no imports of iron ore to report, but certain works have been busy, chiefly on Russian and inland orders. Otherwise the level of output has been low.

Swansea.—The tinplate trade is now working at 50 per cent. of capacity, prices remaining the same. Foreign trade is still restricted by exchange difficulties.

Glasgow.—Hopes of an improvement in orders after the holiday interval were not realized and in most branches makers find it difficult to run their plants without interruption. The lack of shipyard demands still affects the heavy steel makers, but there are more overseas enquiries in the tube trade. Sheet makers are doing a fair trade with Far Eastern markets. There is only one pig-iron furnace in blast in the district, and large tonnages of Indian iron continue to be imported.

Engineering

Birmingham.—The electrical trade continues relatively busy, and with the autumn demand for radio equipment it is expected that a fair amount of extra labour will be required. In the motor trade the tone is a little more optimistic, a gratifying feature being the increase in exports. The recent fine weather has been of benefit to the motor and pedal cycle trades.

Coventry.—The usual seasonal quietness prevails in the motor trade, but work on next year's models is proceeding rapidly and optimism is in evidence.

Luton.—The motor trade reports that business is fairly good. Specialized work in connection with the making of scientific instruments is very quiet, and the hydraulic section shows no improvement.

Sheffield.—Owing to the holidays, there has been little activity. Makers of cheap tools for the bazaar trade are fairly busy, but demand for files, farm and agricultural tools and building trade requirements is below normal.

Glasgow.—The marine engineering trade is very quiet and not even replacement orders are being booked, there being

only one firm with even a moderate amount of work in hand. Some good orders have been received for sets of high-speed marine diesel engines for fishing boats and yachts being built both in this country and abroad. Boiler makers are also suffering from the depression, but some sugar machinery firms are fairly busy. Prospects in the shipbuilding trade are not bright in spite of the fact that most of the orders placed with British firms this year have been with Clyde shipbuilders.

Metal and Hardware Trades

Birmingham.—A quiet optimism prevails, due to the recent increase in prices of all non-ferrous metals. Local mills remain moderately employed and some speculative buying has taken place. There is seasonal quietness in smallwares, but prospects are not unfavourable.

Sheffield.—The seasonal quietness is even more pronounced this year, and no improvement is expected in the near future. Large orders are scarce and home trade dull, while export trade is restricted by import and currency restrictions.

Cotton

Liverpool.—The outstanding feature of recent trading was the Bureau Report of August 8th, which, in contradiction of all private estimates, indicated a prospective crop nearly 750,000 bales short of general expectations. The market was taken by surprise, and on that day advanced by no less than 65 points. Coincidentally, bullish sentiment was stimulated by the strength of U.S. stock and commodity markets, and the price level for all future deliveries remains at well over 5d. per lb. The recent rise in the price of silver and Bombay buying have been further contributory factors to the strength of the market, while Indian crop news has helped to maintain quotations at the present relatively high level. Prior to the publication of crop statistics the market was exercised by reported selling of Farm Board stocks, and considerable sales were certainly negotiated through the Liverpool market; these have since, however, been attributed solely to the American Cotton Co-operative Association. Demand for the raw material, except for the cheaper qualities of American, has remained quiet, and the turnover generally has been of only moderate dimensions. The statistical position and poor textile reports constitute bearish

factors which for the time being are offset by the optimistic sentiment now prevalent in the United States. Mill activity, save in India and Japan, is still negligible in extent, and recent returns from the U.S.A. showed July consumption at only 279,000 bales, the lowest monthly total on record.

Wool

Bradford.—Owing to the annual holidays, business was very quiet during August, but such trade as passed was on a firm basis, with a general feeling of confidence in the future.

Huddersfield.—The mills have been closed for the local holidays and business is quiet. Some manufacturers of ladies' sports cloths are fairly busy, but generally orders are small and business spasmodic. There is no improvement in the fine worsted trade.

Hawick.—In the Border tweed trade next winter's orders are slow in coming in, but merchants are confirming most of the orders given for the spring of 1933. Although wool prices recently advanced 5 to 7½ per cent., spinners, to reduce their stocks, continue to quote very keen rates. Business in the hosiery trade is brisker, but short time is still general. Dyers and spinners are quiet.

Other Textiles

Dundee.—Raw jute prices have advanced sharply, but although a fair amount of yarn and cloth has been sold, buyers have been disappointing, and confidence has given way to hesitancy.

Dunfermline.—The better feeling in the Fifeshire linen trade is still apparent but although enquiries are numerous, buyers are still slow to place orders. Overseas trade, especially with the United States and Canada, is regarded optimistically, but home trade is dull.

Clothing

Leeds.—There has been a falling off in overseas trade, but home trade in both high and low class goods is fairly good. Medium grades are only doing moderately well.

Luton.—In the ladies' hat trade the hot weather has adversely affected buying for the autumn season.

Leather and Boots

Northampton.—Business has been practically at a standstill owing to the holidays. The usual seasonal buying by retailers is being exceptionally delayed this year, in spite of the fact that some quarters expect a rise in leather prices.

Shipping

Hull.—Orders are still scarce and tonnage fairly plentiful.

Liverpool.—Excess of tonnage in home ports continues to depress rates, and only a moderately active business has been done in coal chartering. Grain shipments homewards from Montreal and the River Plate, though showing some expansion, continue at rates only slightly more favourable to owners. Eastern trades have remained quiet, and there has been little activity from Chile and Peru.

Newcastle-on-Tyne.—The freight market is quiet with little fluctuation in rates.

Cardiff.—The freight market is easy in all directions. Demand is poor and tonnage in ample supply. Rates remain unchanged.

Newport.—A new low record in the level of freights has been reached, and the number of ships laid up has increased by five.

East of Scotland.—Freights generally continue easy and trade at Leith docks is no more than normal for the season.

Glasgow.—The freight market shows no material improvement. A few fixtures were reported for Mediterranean and Bay coasting ports, but shippers have been chiefly interested in the Baltic, where demand was brisker with rates showing an upward tendency.

Foodstuffs

Liverpool.—Quotations for wheat have shown a marked advance since the date of our last report. October "Options" which stood at 4s. 9d. per cental in mid-July, touched 5s. on July 27th, since when, in a market dominated by the influence of Wall Street, the relatively high figure of 5s. 7½d. was touched. Prices have now declined to around 5s. 5d., but the tone of the

market continues firm. Australian wheat has been in good demand at advancing prices, and all descriptions of foreign wheat have appreciated in value. A momentary weakening of prices followed earlier crop estimates from the United States and Canada, but subsequent reports of deterioration, coupled with the bullish trend in stock and commodity markets generally, have restored values, despite good harvest prospects in Western and Southern Europe. For the last-named reason it is anticipated that demand from European countries may be reduced by some 8,000,000 quarters on last season's figures. The lack of competing supplies, including Russian, has had a firming influence on prices, and North American shippers expect to do a very fair export business. Official estimates of the U.S. Department of Agriculture predict a total crop—winter and spring—in that country of 723 million bushels, which is 20 per cent. less than that harvested last season. Maize, as reflected by the trend of recent quotations, has not participated in the general advance, prices remaining virtually the same on balance. Argentine shipments have been freely absorbed both by this country and on the Continent, and values continue firm at around 4s. 5d. per cental. Continental bacon ruled firm and the demand was good, with an appreciable advance in prices. American bacon was in small supply, the bulk having been shipped to Ireland prior to the imposition of the heavy duties. Hams were quiet and easier, and lard advanced somewhat in value. The consumption of butter continued good with Continental prices rather erratic. Cheese was in better demand at slightly better prices, and canned meats and fruits were in moderate demand at almost unchanged rates.

Fishing

Brixham.—Landings for July showed a considerable increase, mackerel and sole being in abundance. The month was remarkable for the unusual number of sturgeon caught. Prices showed a good all-round improvement.

Lowestoft.—Less fish was landed in England and Wales during July than during July, 1931, but the average value showed an increase for the first time since January last, the improvement amounting to 1s. 3d. per cwt. Foreign landings showed a decrease in both quantity and value. Up to the end of July, about the same quantity of herrings had been landed

during the Scottish summer herring fishery as in 1931, but the number of barrels cured for export increased.

Penzance.—Line fishing has been fairly good, boats having made from £110 down to £55 for the week. Pilchard catches recently have been on the light side.

Scotland.—The herring fishing has this year been considered a failure, and by the third week in August Highland crews were in some cases being paid off. The quality of catches has varied considerably and prices have covered a wide range. Line fishing is average and prices steady.

Other Industries

Carpet-making.—Orders for Axminster squares and piece-goods are good, especially in the lower grades, but Wiltons and tapestries are still selling very badly. Manufacturers at their July meeting decided not to alter prices and this caused a brisker feeling, as buyers had been holding back. Trade with Scandinavia has been exceptionally good and there has also been a considerable increase in Australian sales. Since the reduction of the tariff from 50 to 20 per cent. imports have grown; from April to June the increase was 50 per cent.

Paper-making and Printing.—Gravesend reports that the holiday season has adversely affected the paper-making trade. A few mills are extremely busy, but the majority are on short time and prices tend to ease owing to the keen competition for the available orders. The feeling for the future is better. Edinburgh reports no improvement in the export trade, and home trade is still very limited, so that practically all the mills are working short time. The printing trade remains dull.

Pottery.—Exports are still on the decline compared with last year, but there is some improvement in the Australian trade. Business remains very quiet.

Timber.—Hull reports trade is slightly better with a fair demand for building timbers and floorings. The case trade is still depressed and flooring mills are not fully employed owing to the low price of foreign prepared boards. Russians stocks for the year are sold to the extent of 90 per cent. and as production from Finland and Sweden is less than last year, prices should remain firm. Newport reports an improvement in pitwood imports, but other timber imports are lower.

Overseas Reports

Australia

From the National Bank of Australasia Limited

The outlook has been improved by the recent advance in the prices of wheat, wool and metals. The public are beginning to spend more freely, and more local manufactured goods are being sold. Unemployment is less acute, and now that the winter is ending demand for labour should show a seasonal increase. For the past twelve months there has been a favourable trade balance of £40,000,000 sterling. Agricultural prospects are promising, but early summer rain is needed in parts of Queensland and Western Australia.

Canada

Recent grain crop estimates forecast a yield of 430 million bushels, or a bigger crop than had been expected. June exports, at 18·5 million bushels, were the largest for any month since December, but the carry-over of last season's wheat may still exceed 130 million bushels. There was a very slight improvement in business conditions during July, with a fair retail demand for seasonal goods. The new American duties have seriously affected the lumber industry, which explains the pressure exerted by those interests at Ottawa. Export business in newsprint improved slightly, but the condition of the industry is still unsatisfactory.

India

Bombay reports by mail that rains have been favourably distributed over all centres, and that business is, therefore, likely to improve. In some parts heavy rains are thought to have checked crop progress, and this in conjunction with higher American prices has led to a much firmer tone on the Bombay cotton market. Indian mills have bought raw cotton steadily, but export sales have been very small. As regards piece-goods, some Bombay mills have made satisfactory sales, but competition from up-country mills is growing, and Japanese goods are making headway as a result of the further depreciation of the yen. Enquiries for Manchester goods have dwindled considerably. Calcutta reports a fair business in loose jute at advancing prices. Demand for common teas improved as the month progressed, and tippy teas sold well

at high rates. Medium broken and fannings were weak. Rangoon reports that the rice and timber trades were dull. Stocks of hard-ware are light, but dealers are not placing fresh orders under present conditions, and expect no improvement this year.

Irish Free State

Business conditions are overshadowed by the tariff war with Great Britain. Imports are greatly reduced, and export trade, particularly in agricultural produce, is practically at a standstill, as neither farmers nor shippers are willing to meet the 20 per cent. emergency British duties. In consequence, farmers are not sending their live-stock to the local fairs and markets, and business has dwindled to vanishing point. The uncertain political outlook has made the general commercial situation grave and full of anxiety. Fortunately, harvest prospects are encouraging and live-stock are in good condition.

* * * *

France

From Lloyds & National Provincial Foreign Bank Limited

Railway receipts up to July 28th, 1932, amounted to Frs.6,748 millions, or a decline of Frs.1,374 millions compared with the corresponding part of 1931. Towards the end of July, the Paris bourse underwent a marked improvement partly in sympathy with the firmer tendency of commodity prices and the general advance on Wall Street. Banking shares came into favour, and also oil and copper shares "en coulisse." Rentes remained strong, and any new issues were easily placed.

Bordeaux.—Prices of the cheaper wines remain firm. The hot weather of early August should prove beneficial to the vines, but the vintage does not promise over well, either in yield or quality. Resin stocks are scarce, and prices firm.

Le Havre.—Owing to the uncertain Brazilian situation which has made shipments from Santos very difficult, the coffee market has been dull though prices were well maintained. Buyers are now taking more interest in coffee from other sources than Brazil.

Lille.—Though no marked improvement in industrial activity has so far occurred, the rising trend of raw material prices has imparted a better tone to the market. Stocks of cotton have been considerably reduced, and offers for immediate delivery are keenly sought after. Several firms, too,

have lately secured Government tenders. The rise in jute prices have stimulated demand, and yarn prices have improved in sympathy. The linen industry remains quiet. Export business has been brought to a standstill by exchange restrictions.

Roubaix.—The top market has definitely improved. Prices for both tops and noils are higher, and although combers are still working at no better than 50 per cent. of capacity, their position is much better than was expected a few months ago. Spinners have maintained their ground, but apart from a good demand for hosiery yarns are no better placed than a month ago. The weaving end of the woollen industry is still very bad, especially as regards export business. The outcome of the Ottawa Conference was anxiously awaited, as the re-opening of the English markets is a vital matter to Roubaix.

Marseilles.—Stocks of ground-nuts are below normal and demand has been good at firm prices. Anxiety as regards the future crop has now been allayed by the breaking of the monsoon in producing countries. The copra market has been quiet and prices steady. Business in olive oil has been dull and restricted, and shippers have been withholding supplies.

Belgium

Brussels.—In spite of a settlement of the coal strike, work is only being resumed very slowly. It is estimated that one consequence of the strike has been to reduce stocks of coal by about 1,000,000 tons. The iron and steel trades remain dull and prices are still very low. Only 38 out of 62 furnaces are now in blast. There is no change in other industries.

Antwerp.—Total tonnage dealt with in the port for the first seven months of 1932 was only 11,000,000 tons, compared with 13,000,000 tons in 1931. The wool trade is a little more active, but otherwise business is restricted. Still the general outlook has improved and the Bourse is more active. There is no improvement in the diamond trade and stocks are high.

Germany

Industrial activity remains at a very low ebb, and the steel, engineering and chemical trades are only working at 30 per cent. of capacity. The withdrawal of foreign funds and the general lack of confidence has made credit very stringent even for first-class borrowers, while business is also restricted

by political uncertainties. Coal production has fallen to 15 per cent. below the level of a year ago, while pig iron production in July averaged only 9,500 tons per day, against 10,331 tons in June and 18,361 tons in July last year. Out of 155 blast furnaces, only 36 were working in July. Imports in July were only Mks.366 millions against Mks.562 millions in July, 1931, while exports have fallen from Mks.827 to Mks.432 millions.

Holland

The rise in American stock prices led to a certain amount of covering on the Amsterdam Bourse, but the improvement was viewed by the general investing public with a considerable degree of reserve. Nevertheless, there is a feeling in financial and economic circles that the lowest point of the depression has been reached, but it must be admitted that so far there is no tangible sign of any improvement. Wholesale prices fell by a further three points during July, and there was a slight increase in unemployment to 23·6 per cent. in the first half of July. Imports for the first seven months of this year are Fl.773 millions, against Fl.1,152 millions for the same portion of 1931. Exports have declined from Fl.792 to Fl.480 millions, but July witnessed an increase in exports of wireless apparatus. The shipping situation remains very bad, and important re-organization schemes are now in progress while further wage reductions are being negotiated. Money remains very easy with prime three months' bills at $\frac{1}{4}$ to $\frac{1}{2}$ per cent.

Norway

Wholesale prices have risen by one point during the month ended August 15th. The Krone has declined against gold currencies in sympathy with sterling. On the Oslo Stock Exchange both share and bond prices have improved. Preparations for the new whaling season are well advanced, and 17 floating factories are expected to be present in the Antarctic this season, of which 10 are under the Norwegian flag. Recent sales of whale oil have realized £10 a ton. Crop prospects are satisfactory, but industrial conditions are depressed. Curtailment of production has now become necessary in the paper industry, and the planed wood and pit-prop trades are dull. Unemployment shows the usual seasonal improvement, but there has been an increase in the quantity of idle tonnage, mainly due to the laying up of several large tankers.

Sweden

The credit situation is easier, and this shows that the tension induced by the Kreuger collapse is beginning to relax. The Riksbank has been steadily increasing its foreign balances and has now recovered its dominant position in the foreign exchange market. In the timber trade, there has arisen a better demand for red woods, but the white woods market is still dull. Sales of all kinds for 1932 to date amount to about 425,000 standards. The dispute in the pulp industry which has lasted since April has now been settled on the basis of a 7 per cent. wages reduction. Loss of output as a result of the dispute is estimated at 300,000 tons of sulphite, 200,000 tons of sulphate and 200,000 tons of wet mechanical pulp. These losses have to some extent been off-set by the general lack of demand due to the depression, and indeed the Swedish mills were bound by the European agreement to reduce their output of sulphite this year by about 175,000 tons.

Denmark

A weekly decrease of about 20,000 in the number of pigs slaughtered during the past month has imparted greater stability to the bacon market and prices have risen from Kr.72 to Kr.90 per 100 Kilos. These figures compare very favourably with this year's minimum price of Kr.58. A further improvement is expected. Good rains fell at the end of July, and improved the prospects of the grain and beet crops and also the position of graziers. The Kroner has weakened slightly against sterling, and the exchange restrictions have now been modified. Wholesale prices rose by two points between June and July. Unemployment increased by 25,000 during the past month to 114,724. Laid-up tonnage now amounts to 402,875 tons, or the same as the record figure first touched last April. The Bourse has been more active and prices are higher.

Switzerland

From Lloyds & National Provincial Foreign Bank Limited

Exports for July amounted to Frs.58.6 millions, against Frs.58.3 millions in June and Frs.109.5 millions in July, 1931. Some improvement in machinery exports was registered.

Imports were Frs.132·3 millions, against Frs.144·6 millions in June and Frs.187·2 millions in July, 1931. Money is plentiful, and prices of gilt-edged stocks are firmer. There has been a slight seasonal improvement in employment, but the tourist industry is depressed by the general economic situation, aggravated by exchange restrictions.

Spain

The import of Spanish fruit into France was restricted to 39,450 quintals in August, against 56,000 quintals in August, 1931, and considerable losses are reported from the frontier owing to difficulties in fulfilling French import regulations. The fruit industry has suffered severely from European trade restrictions, and at a conference held by the agricultural interests in July, the Government was urged to make a fundamental revision of its tariff policy which by the protection of artificial industries in a narrow market has indirectly inflicted serious injury upon an essentially national industry which depends upon foreign markets for its existence. A national conference is now being held to study means of co-ordinating all land transport services. It is intended that the recommendations of the various interests shall serve as a basis for the solution of one of Spain's most pressing problems. In the meantime all railway rates have been increased by 3 per cent. and the additional revenue, calculated at 25 million Pesetas, is to be utilized in increasing the wages of railway employees.

Morocco

From the Bank of British West Africa Limited

Business conditions during the past month have improved somewhat. The weather has been favourable with no sirocco hot winds, and but for the low level of prices, the general situation could be said to be good. Manchester cottons are in good demand with prices firm. Stocks are small and the demand for cheap Japanese goods at the moment exceeds supplies. Tea stocks are small and deliveries are taken up promptly with an upward trend in both demand and prices. The grape harvest is again likely to be good, and the area under grapes has been increased. With the beginning of September starts the third quota of duty-free wheat for France and this should improve

trade for the moment. Barley stocks are very large and export demand weak. Chickpeas are fairly abundant. The big plant in Casablanca for sugar refining has begun to put its product on the market.

United States

The last few weeks have witnessed a slight but definite improvement. The advance in commodity prices, notably sugar, cotton, and hogs, together with the spectacular improvements in many stock and bond prices, have fostered a better feeling of confidence. By the end of July both wholesale and retail trade were expanding slightly, and unemployment was a little better. Steel mill operations have improved from a low point of 12 per cent. to one of 16 per cent. of capacity, and this last figure has been well maintained. There has been the usual seasonal decline in automobile production, but July witnessed an appreciable increase in building activity. On the other hand, car-loadings for July fell below the June level, and there was a further curtailment in cotton cloth production. The official cotton crop estimate, published on August 8th, gave a figure of 11,306,000 bales, or considerably below market anticipations. Reports of serious weevil infestation were confirmed. This figure caused a sharp advance in prices, but regard must be had to the carry-over from last season, estimated at 13,000,000 bales, and no real shortage of cotton is possible.

Japan

Exports for July amounted to Y.110 millions, against Y.103 millions in July, 1931. Imports totalled Y.68 millions, against Y.94 millions. The favourable trade balance has thus improved from Y.9 millions to Y.42 millions. Money is very easy, and rates have been reduced slightly. On the commodity markets, raw silk prices have risen owing to the reduction in stocks and an increase in demand. Exports of cotton yarn and cloth have been stimulated by the further depreciation of the yen. Imports of raw cotton for the first half of 1932 were 2,470,000 bales, or 330,000 bales more than in the first half of 1931. Steel production is to be reduced by 50 per cent. for three months beginning with August.

Statistics

417

Banking

1. BANK OF ENGLAND

Date.	Issue Department.		Banking Department.				
	Gold.	Notes in circulation.	Reserve and Proportion.		Bankers' Deposits.	Govt. Securities.	Discounts & Advances.
	£ mn.	£ mn.	£ mn.	Per cent.	£ mn.	£ mn.	£ mn.
1931.							
August 26 ...	133.3	350.3	59.3	46.1	53.6	50.2	9.3
1932							
August 3 ...	138.6	374.7	39.7	29.8	85.0	76.0	14.3
August 10 ...	139.6	370.8	43.6	33.3	85.3	70.6	15.2
August 17 ...	138.7	366.0	48.6	36.2	89.8	70.2	14.7
August 24 ...	138.7	363.9	50.7	37.1	79.9	71.3	13.3

2. TEN CLEARING BANKS

Date.	De- posits.	Accept- ances.	Cash.*	Call Money.	Bills.	Invest- ments.	Ad- vances.
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1931.							
July ...	1,787.7	113.0	229.2	130.4	281.0	299.5	913.0
1932.							
February ...	1,658.5	90.6	214.0	109.8	207.5	279.6	902.3
March ...	1,676.4	98.7	217.4	112.5	216.8	281.9	902.1
April ...	1,680.5	98.1	214.2	112.4	240.1	287.5	881.0
May ...	1,699.0	99.5	222.0	113.1	246.5	300.2	871.4
June ...	1,764.4	93.2	239.2	113.4	277.7	339.7	852.2
July ...	1,803.9	84.5	233.3	123.0	317.4	348.8	836.2

* Includes balances with other banks and cheques in course of collection.

3. LLOYDS BANK, RATIO OF CURRENT ACCOUNT CREDIT BALANCES TO TOTAL DEPOSITS

Year.	Ratio.	Month.	Ratio.			
			1929.	1930.	1931.	1932.
			%	%	%	%
1902	58.2	January	46.8	45.1	45.9	46.5
1914	49.9	February	45.9	44.2	45.1	44.7
1919	60.7	March	45.2	44.5	45.3	44.7
1920	56.7	April	44.9	45.1	45.0	45.2
1921	50.7	May	44.1	44.0	44.8	45.3
1925	49.6	June	44.5	44.4	45.4	45.4
1926	48.6	July	45.4	44.7	45.7	46.0
1927	47.4	August	45.3	44.4	45.7	
1928	46.4	September	45.3	44.7	45.0	
1929	45.2	October	45.6	44.8	45.3	
1930	44.7	November	44.7	44.8	45.3	
1931	45.4	December	45.3	46.0	46.7	

Money, Exchanges and Public Finance

1. LONDON AND NEW YORK MONEY RATES

Date.	LONDON.			NEW YORK.		
	Bank Rate.	3 Months discount Rate.	Day-to day Loans.	Re-discount Rate.	90 Days' eligible Bank acceptances	Call Money.
1931.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
August 26 ...	4½	4½-5½	3½-4½	1½	1	1½
1932.						
August 3 ...	2	1½-1	1-1	2½	1	2
August 10 ...	2	1½-1	1-1	2½	1	2
August 17 ...	2	1½-1	1-1	2½	1	2
August 24 ...	2	1½	1-1	2½	1	2

2. FOREIGN EXCHANGES

London on	Par.	1931.	1932.			
		Aug. 26.	Aug. 3.	Aug. 10.	Aug. 17.	Aug. 24.
New York ...	\$4.866	4.86½	3.51½	3.48½	3.47½	3.46½
Montreal ...	\$4.866	4.87½	4.04½	4.01	3.99½	3.92½
Paris ...	Fr. 124.21	124.00	89½	89	88½	88½
Berlin ...	Mk. 20.43	20.50	14.77½	14.62½	14½	14.55
Amsterdam ...	Fl. 12.11	12.05½	8.73½	8.66	8.63	8.60
Brussels ...	Bel. 35	34.85½	25.32½	25.12½	25.04½	24.92½
Milan ...	Li. 92.46	92.92½	69	68½	67½	67½
Berne ...	Fr. 25.22½	24.97½	18.04½	17½	17.83½	17.80
Stockholm ...	Kr. 18.16	18.15½	19.49½	19.50	19.47½	19.47½
Madrid ...	Ptas. 25.22½	54.45	43½	43½	43½	43½
Vienna ...	Sch. 34.58½	34.60	30*	29*	30*	30*
Prague ...	Kr. 164.25	164½	117½	117½	117½	116½
Buenos Aires ...	47.62d.	31½	34½†	34½†	34½†	34½†
Rio de Janeiro ...	5.89d.	3½	5½†	5½†	5½†	5½†
Valparaiso ...	Pes. 40	39.69	58*	58*	58*	58*
Bombay ...	18d.	17½	18½	18½	18½	18½
Hong Kong ...	—d.	11½	15½	16	16½	16½
Shanghai ...	—d.	14½	20½	21½	21½	21½

* Nominal.

† Unofficial rate in London.

3. PUBLIC REVENUE AND EXPENDITURE

Revenue.	To Aug. 20 1932.	To Aug. 22 1931.	Expenditure.	To Aug. 20 1932.	To Aug. 22 1931.
	£ mn.	£ mn.		£ mn.	£ mn.
Income Tax ...	39.4	43.6	Nat. Debt Service ...	130.3	138.0
Surtax ...	9.3	14.5	Northern Ireland Payments...	2.2	1.9
Estate Duties ...	32.2	29.5	Other Cons. Fund Services ...	0.9	0.7
Stamps ...	4.1	4.2	Supply Services ...	164.5	158.9
Customs ...	62.8	48.2	Ordinary Expenditure ...	297.9	299.5
Excise ...	49.2	46.2	Sinking Fund... ..	9.6	15.2
Tax Revenue ...	199.2	188.2	Self-Balancing Expenditure ...	26.3	26.3
Non-Tax Revenue ...	18.6	30.3			
Ordinary Revenue ...	217.8	218.5			
Self-Balancing Revenue	26.3	26.3			

1. PRODUCTION

Date.				Coal.*	Pig-Iron.	Steel.
1931.				Tons mn.	Tons thou.	Tons thou.
July	...	...	...	3.8	317	429
1932.						
February	...	...	...	4.5	318	481
March	...	...	...	4.5	336	463
April	...	...	...	4.1	317	433
May	...	...	...	4.0	315	417
June	...	...	...	4.0	311	459
July	...	...	...	3.6	293	430

* Average weekly figures for month.

2. IMPORTS

Date.				Food.	Raw Materials.	Manufactured Goods.	Total.
1931.				£ mn.	£ mn.	£ mn.	£ mn.
July	...	...	...	35.1	13.6	20.7	70.2
1932.							
February	...	...	...	33.6	15.4	20.1	70.2
March	...	...	...	30.9	16.5	13.0	61.1
April	...	...	...	27.5	13.4	11.8	53.5
May	...	...	...	29.9	13.7	11.6	53.7
June	...	...	...	31.4	13.5	11.8	57.5
July	...	...	...	29.3	10.8	11.4	51.9

3. EXPORTS

Date.				Food.	Raw Materials.	Manufactured Goods.	Total.
1931.				£ mn.	£ mn.	£ mn.	£ mn.
July	...	...	...	2.7	3.8	26.6	34.3
1932.							
February	...	...	...	2.8	3.5	22.6	30.0
March	...	...	...	2.7	3.5	24.2	31.2
April	...	...	...	2.9	4.0	26.8	34.8
May	...	...	...	2.6	3.6	23.2	30.2
June	...	...	...	2.3	3.6	22.9	29.7
July	...	...	...	2.3	3.5	22.4	29.3

4. UNEMPLOYMENT

Date.	1926.	1927.	1928.	1929.	1930.	1931.	1932.
End of—	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
January	11.0	12.0	10.7	12.2	12.6	21.5	22.4
February	10.4	10.9	10.4	12.2	13.1	21.7	22.0
March	9.8	9.8	9.5	10.1	14.0	21.5	20.8
April	9.1	9.4	9.5	9.9	14.6	20.9	21.4
May	14.3	8.7	9.8	9.9	15.3	20.8	22.1
June	14.6	8.8	10.7	9.8	15.4	21.8	22.3
July	14.4	9.2	11.6	9.9	16.7	22.6	22.9
August	14.0	9.3	11.6	10.1	17.1	22.7	
September	13.7	9.3	11.4	10.0	17.6	23.2	
October	13.6	9.5	11.8	10.4	18.7	21.9	
November	13.5	9.9	12.1	11.0	19.1	21.4	
December	11.9	9.8	11.2	11.1	20.2	20.9	

Percentage of Insured Workers.

Prices

1. WHOLESALE PRICES (average for month)

Date.	Index Number (Sept. 16th, 1931=100).				
	U.K.	U.S.A.	France.	Italy.	Germany.
1931.					
July	104.7	101.2	107.3	100.9	102.6
1932.					
February	107.5	92.3	94.4	97.4	91.7
March	106.8	91.5	96.4	97.0	91.7
April	103.5	90.2	96.7	95.5	90.4
May	101.2	88.4	95.5	93.5	89.3
June	97.7	88.3	92.6	90.6	88.4
July	98.7	87.6	91.4	89.0	88.1
August, 1st week	99.5	88.7	89.0	88.1	88.2
August, 2nd week	101.4	89.8	88.4	83.5	88.0
August, 3rd week	102.1	89.6	88.4	88.9	87.3
August, 4th week	102.8	89.8	—	89.3	87.1

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Generale; Italy, Italian Chamber of Commerce; Germany, Statistische Reichsamt.

2. RETAIL PRICES (end of month)

Date.	Food.	Rent (including rates).	Clothing.	Fuel and Light.	Other items included.	All items included.
1931.						
July	28	54	95	70	75	45
1932.						
February	29	54	90	75	75	46
March	26	54	90	75	75	44
April	25	53-54	90	70-75	75	43
May	23	54	90	70-75	75	42
June	25	54	85-90	65-70	70-75	43
July	23	54	85-90	65-70	70-75	41

The figures represent the percentage increase above July, 1914, which is equal to 100.

3. COMMODITY PRICES (average for month)

Date.	Wheat, No. 1 N. Manitoba.	Cotton, American Middling.	Wool, 64's tops avge.	Pig-Iron, Cleveland No. 3.	Tin, Standard Cash.	Rubber, Plantation Sheet.
1931.	per qr. s. d.	per lb. d.	per lb. d.	per ton. s. d.	per ton. £	per lb. d.
July	25 5	5.21	22½	58 6	111 9/16	3 1/4
1932.						
February	34 7	5.70	23	58 6	139½	2½
March	34 8	5.38	22	58 6	129 15/16	2
April	32 7	4.92	21½	58 6	109 7/8	1½
May	31 10	4.83	21	58 6	122½	1 11/16
June	28 1	4.30	20½	58 6	114½	1½
July	27 10½	4.69	21½	58 6	126	1 11/16

Complete Service



LLOYDS BANK affords exceptional facilities to its customers, and undertakes every description of British and Foreign Banking business.

It has more than 1,900 offices in England and Wales, others in India and Burma, and agents and correspondents throughout the world.

**LLOYDS
BANK
LIMITED**

*Head Office: 71 Lombard St.
London, E.C.3*